

CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE
Meeting Minutes from March 10, 2003
Sacramento, CA

Members/Alternates Attending:

Jerry Gonce, Chair
Scott Beylik
Mary Lou Weiss
Richard Youngblood
Theodore Loewen
Jim Russell
Edith Clark
Fred Kosmo
Gail Hayden
Lynn Bagley
Harry Brown-Hiegel
Greta Dunlap
Howell Tumlin
Rick Landon
Cato Fiskdal

CDFA Representatives:

Janice Price
Rick Jensen
Sonja Dame

Interested Parties

Gary Gentry
Charlotte Eaton
Kurt Floren
Randii MacNear
Joel Kiff
Dan Best

Non-Voting Members/Alternates Attending:

Mary Hillebrecht
Doug Hayden
Jane Allen

Members/Alternates Excused Absence:

Karol Jo Kappel
Terence Faulkner
Scott Hudson

ITEM 1: INTRODUCTIONS AND ROLL CALL

Jerry Gonce called the meeting to order and Mary Lou Weiss led the pledge of allegiance to the flag. Introductions were made, Sonja Dame called roll, and a quorum was established.

ITEM 2: APPROVAL OF JANUARY 13, 2003, MEETING MINUTES

MOTION: Howell Tumlin moved to approve the minutes as written. Mary Lou Weiss seconded. The motion passed unanimously.

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ITEM 3: APPROVAL OF AGENDA

Janice Price added Definition of Sprouts as Item 5o and On-line Certification Program Update as Item 4o. Jerry Gonce added SB 934 Report as Item 4p. Cato Fiskdal requested all of Item 7 be moved up to become Item 5.

MOTION: Jim Russell moved to accept the agenda with the aforementioned changes. Lynn Bagley seconded. The motion passed unanimously.

Jerry Gonce, Chairman, announced his request for 2 new procedures, 1) each sub-committee be listed as an agenda item under Committee Business and Harry Brown-Heigel will act as the sub-committee coordinator and 2) in the event the Chairman needs clarification on parliamentary procedures and other issues, the Chairman will defer to Jim Russell for this information. Jerry congratulated Randii MacNear for being selected as the Market Manager of the Year at the 2003 North American Farmers' Direct Marketing Association Conference.

ITEM 4: CDFA REPORT

a. CFMAC Reappointments

Janice Price announced all members that were being considered for reappointment have been reappointed. Janice also announced Earl McPhail has been appointed as the alternate for Cato Fiskdal filling the vacancy of Richard Greek.

Janice informed the Committee the Department has adopted a new policy concerning the appointment process. All terms expiring must be advertised to the industry, including positions that are currently filled by someone that could be considered for reappointment. Rick Jensen explained this decision was based on a desire by the Department to ensure widespread opportunity for representation. This policy applies to all committees.

b. CFMAC Member Vacancies

Janice Price announced to the Committee the position vacated by Mark Sheridan for an alternate Major CFM Representative remains vacant. Bobby Cornelius and Ed Eckoff have decided not to serve another term, leaving a northern certified producer position as well as the alternate position vacant. A letter went out to the market managers announcing these vacancies as well as the alternate public member vacancy. The market managers were asked to share this information at their markets. As of today, the Department has received one nomination for the certified producers position from Joel Kiff. Nominations will be accepted until the vacancies have been filled. Jerry Gonce asked the Committee members to solicit individuals for nominations to fill the vacancies.

c. CFM Remittance Fee Report: 2nd and 3rd Quarters, 2002

Janice Price informed the Committee of a correction to the date on the yellow copy of the remittance fee report, the correct date should be March 5, 2003. This report was revised to include the fourth quarter, the non-operational markets and some additional markets that had submitted payments. The total collected to date is \$165,869. Janice shared there has been an increase in the fee amounts collected this year compared to the previous two years.

Janice reported the following information for the second quarter delinquencies. As of today, there are still 2 markets, La Pulga and Wild Wonderful, that have been non-responsive to requests from the Department. The La Pulga Farmers' Market, located in Butte County, has less than 5 farmers and would owe approximately \$40 for the last 3 months. The Wild Wonderful Farmers' Market is located in Madera County but Janice stated she has no other information pertaining to this market. The Department will be sending out a letter to all Ag Commissioners informing them not to renew the certificate of the Wild Wonderful Farmers' Market. In addition, a Certified letter with a subpoena will be sent to both markets requesting their load lists. This will provide the Department with a way to determine how many farmers may be participating at these particular markets. The Department has recently been in contact with the Orange Cove and Uptown Whittier Family Festival Farmers' Markets, and both will be sending their payment.

Janice reported there are 55 delinquent markets for the fourth quarter, which covers October through December. A 30-day delinquent letter will be going out to these markets. Approximately March 20, a reminder letter will be going out to all markets for the current quarter ending in March. Randii MacNear asked if there are particular markets that are consistently delinquent. Janice commented, there is a pattern and this is part of the reason the Committee has proposed a late penalty fee.

d. CDFA Budget Reports: December 2002 and January 2003

Janice Price asked the Committee if they had any questions regarding either report. There were no questions.

e. Emergency Relief Regulation Update

Janice Price announced under an emergency order effective December 24, 2002, the Secretary was given the discretionary authority, on a case by case basis, to waive or modify specific requirements for selling at farmers' markets if there is a declared pest or plant quarantine, a declared natural disaster, or a declared catastrophic emergency. An industry notice was sent out on February 21, 2003 informing them that the Department is planning on permanently adopting the

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regulation and of the 45-day comment period in which anyone can submit comments via written, FAX or e-mail pertaining to the regulation text. This comment period ends on April 7, 2003. There is no public hearing scheduled currently. As of today, the Department has received no comments.

f. CDFA Task Report

Janice Price asked if there were any questions pertaining to the Task Reports. There were no questions.

g. Agricultural Commissioners

Cato Fiskdal reported the counties continue to be impacted by budget cuts and this will especially impact programs that are already under funded.

Cato also reported that the issue of nursery stock was discussed at the last CACASA Standardization Committee meeting. The Committee unanimously recommended to the Board of Directors to adopt their recommendation, that all nursery stock be removed from certification. Ag Commissioners have become increasingly more and more frustrated by the lack of resources and nursery stock is an extremely difficult commodity to regulate.

Gail Hayden asked if the \$60 hourly inspection fee was enough or if this is part of the problem of the under-funding. Cato replied in most instances, it is. Cato also stated not all counties are authorized by their Board of Supervisors to charge the \$60 per hour fee. He thinks it is an issue of how many visits are made rather than the fee.

Mary Hillebrecht commented nursery stock accounts for about half of the agriculture in their county and it is essential that Ag Commissioners remain involved with the inspections.

Howell Tumlin asked Cato if there was a way that the Committee could help. Cato replied it is the counties that do not charge the fee that will need some kind of assistance. Lynn Bagley asked if these counties could be identified and suggested that, sometime in the future, it might be possible for the State to help with these inspections when the CFM Program is generating more revenue. Cato agreed it should be possible to identify the counties and put together an analysis of the current under-funding.

Cato does not believe CACASA's recommendation has gone forward to the Secretary but it will soon. Mary Hillebrecht stated the Committee should continue to move forward with the nursery stock regulations. Cato also recommends the

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Committee move forward with the proposed regulations and send a couple of members to the next CACASA meeting to voice their concerns on this issue.

Jane Allen and Mary Lou Weiss also agreed. Mary Lou commented the Committee Chairman, Jerry Gonce should be the one to represent the Committee at the meeting. Cato stated the next meeting will be in May and Jerry Gonce asked what the value would be in attending the next meeting if a letter is already going forward to the Secretary?

Cato commented just because CACASA is making the recommendation, it doesn't necessarily mean the Secretary is going to act on it. The Secretary is aware that the Committee is working on this issue and I'm sure he will ask his staff what their recommendations would be before making a decision.

Jerry Gonce asked Rick Landon if he could read the motion from the CACASA meeting. Rick stated the motion reads: to recommend to the Secretary that the Direct Marketing regulations be amended to remove nursery stock from certification. Rick suggested Jerry write a letter to the chairman of CACASA asking that this be put on the agenda for discussion at the next meeting.

MOTION: Howell Tumlin made a motion that 1) the Committee Chair write a letter to the Secretary requesting the Secretary to not take action on this issue until the Committee has had the opportunity to initiate some dialog with CACASA and 2) the Chair or a designated person attend the next CACASA Standardization Committee meeting in May to discuss the issue. Edith Clark seconded. Motion passed unanimously.

h. Long Range Planning Sub-Committee

Jane Allen reported the sub-committee met on January 29 and March 3, 2003. At the January 29 meeting, the sub-committee discussed composing surveys that would go out to certified producers, market managers and Ag Commissioners. The surveys were to include questions pertaining to regulatory needs, enforcement and changes within the industry. The surveys were to be presented at the next sub-committee meeting.

On March 3, the drafts were reviewed and the members agreed several universal open-ended questions needed to be on each survey form. Sub-committee members also discussed the cost and decided whenever possible, the surveys would be sent out with other CDFA Departmental mailings. Sub-committee members have volunteered to compile the information into a report once the surveys have been returned. Jane asked the CFMAC members to review the drafts and get back to her with any suggestions and/or questions before the next sub-committee meeting on April 14, 2003. Jim Russell suggested a customer

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survey also be drafted and handed out by market managers. Gail Hayden suggested the surveys be sent out by the Federation instead of the Department. She believes there would be a better response if the survey came from an industry group as opposed to a government agency.

Jane agreed to bring this suggestion to the sub-committee. Jerry Gonce asked the Committee to get their responses back to Jane by April 14.

i. Finance Sub-Committee

Harry Brown-Heigel reported there was no formal sub-committee meeting. However, there are two issues from the last meeting agenda, 1) should the sixty cent fee be increased to a dollar, 2) should the sunset clause legislation be moved? There was no further discussion.

j. Nursery Stock Sub-Committee

Mary Lou Weiss had nothing else to add to the prior discussion concerning nursery stock.

Janice Price informed the Committee Scott Hudson asked her to share the final document for the proposed nursery stock requirements. It was sent out to the Nursery Stock Association and approved. It also went to Richard Mateiss, of the Cut Flower Association, but there has been no response as of yet. Janice thinks this may be due to his involvement with the Exotic Newcastle Disease. If the Committee wishes to go forward with the requirements, with the provision that the Cut Flower Association will give their approval, then it is also the wish of the sub-committee. Howell Tumlin asked if this was on the agenda to be voted on today. Janice replied that it is listed under Committee Business, agenda item e. Jerry Gonce asked if there was any objection to taking it out of order and voting on it. There was no objection.

MOTION: Jim Russell made a motion to accept the requirements for nursery stock as written. Lynn Bagley seconded. The motion unanimously passed.

k. Market Manager Certification Sub-Committee

No report.

l. Matrix Sub-Committee

No Report

m. Data Base Sub-Committee

No Report

n. Enforcement Sub-Committee

Cato reported due to a lack of participants, there was no meeting last week. Janice Price commented the meeting Cato was referring to was the CACASA Enforcement Sub-Committee. This Committee was not included on the agenda. Cato asked if it is necessary to allow industry participation at their CACASA Enforcement Sub-committee meetings. Cato stated this may not be conducive to facilitating open discussions at these meetings. Janice commented it was part of the original proposal. The Committee agreed it is not necessary for industry involvement.

o. On-line Certification Update

Janice Price reported Solano County is the third county to go online. The Department has recently contacted Riverside County who is currently using Jim Murez's system. Once five counties go online, we will roll it out to the rest of the counties, on a first come, first serve basis. Counties wishing to participate will be added. We are working with our staff to identify necessary fields and types of reports needed. Janice has heard good reports from the counties that are currently using the system. Rick Landon commented that the system is beneficial.

p. SB 934

Dan Best provided a report on SB 934. This bill was introduced through Senator Machado's office by Dan and is sponsored by the Agricultural Council of California and the Certified Farmers' Markets of Sacramento. The bill originated because a farmers' market in San Francisco, Ferry's Plaza, wanted to become a more permanent market. The goal of the bill was to allow Ag Co-ops the same exemptions pertaining to standard grade, container and labeling requirements while also allowing the cooperative staff to sell the farmers produce on behalf of the farmer members. The Direct Marketing regulations only allow the farmer to hire employees to sell their produce in their absence. Therefore, in order for the Ag Co-ops to accomplish this goal, a limited exemption from standard packaging and labeling requirements for retail outlets is necessary.

These retail outlets operated by an agricultural cooperative on behalf of its members would be almost identical to CFM's in their operation, conditions and restrictions. By definition and contract, the member farmers can supply to the cooperative only those fruits and vegetables that the farmer actually grows. The cooperative acts as the farmers' employee. The farmer's exemption is limited to transport and sales at the cooperative's outlet.

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One of the potential benefits will be that these retail outlets will be able to participate in the new Electronic Benefit Transaction Program that is replacing Food Stamp Coupons. This will benefit the farmers who currently cannot access

this group of consumers because of the lack of the equipment. These retail operations can also operate in a smaller area than a normal farmers' market because trucks and multiple personnel are eliminated. Both temporary and permanent operations could be established in communities that would otherwise not be reached due to constricting locations. Farmers and the urban community would both benefit. Presently, one of the most viable direct marketing schemes is the system of Certified Farmers' Markets.

After discussion, the Committee agreed they are not prepared to discuss this issue today. There are concerns that these Co-ops would be in direct competition with farmers' markets and defeat the whole purpose of certified farmers' markets. The Committee would like the opportunity to research this bill before it goes before the Assembly. Janice Price pointed out that this bill could be acted on March 24, 2003, before the next Committee meeting. Jerry Gonce asked Dan Best if he would take the Committee's request into consideration. Dan said that he would do his best. Jerry suggested Committee members with concerns should act on them as soon as possible and get the word out at their respective markets.

MOTION: Howell Tumlin made a motion to add SB 934 to the next meeting agenda to allow the Committee time to research the issue. Jim Russell seconded. Motion passed unanimously.

ITEM 5: CORRESPONDENCE

a. Federation Letter – Dan Best

Dan Best explained that the Federation letter was not intended to be a formal proposal, just a part of the thought process. The Committee asked that the letter to the Federation be added as an agenda item for the next meeting for further discussion.

b. Outback Letter – Jerry Gonce

Jerry Gonce commented he had responded to the letter from Mr. Silverman from Outback concerning the relevance of a written agreement versus a verbal agreement. He wrote a brief letter indicating he was pleased to receive Mr. Silverman's letter and it would be put on the agenda for the next committee meeting. However, Jerry informed him that this is not an issue for the Committee to take up, at least not at this time, but he could use the administrative process with a

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hearing. Janice Price informed Jerry that she has also spoke to Mr. Silverman and he intends to file.

c. City of Santa Monica Letter – Janice Price

Janice Price received a letter from Santa Monica pertaining to an anonymous letter sent to the Santa Monica Farmers' Market. This particular case has been under investigation as a result of the focus on cherry sales last year. Janice shared with the Committee some of the load lists were incomplete. The Department has been sharing information with San Joaquin County and will continue to investigate this next season. Janice will be sending Santa Monica a thank you letter for sharing this information and informing them that the Department will continue with the investigation.

ITEM 6: COMMITTEE BUSINESS

a. Appointment of Sub-Committees

Jerry Gonce requested anyone interested in joining any of the sub-committees; please let him or Janice Price know before the next meeting. Randii MacNear asked if non-committee members could serve on the sub-committees. Jerry replied yes.

b. Emergency Relief Regulation/Natural Disaster

At the last meeting, Janice Price shared with the Committee the emergency relief regulation. At that time, the Committee asked Janice to find out what the criteria is for a declared emergency and the frequency at which they have been declared.

Janice explained the criteria/definition is based on Government Code Section 8558. The Committee received a copy of Government Code Section 8558, 8624 and 8629 to review. Janice stated the information pertaining to the frequency is not available within CDFA and is probably located at the Office of Emergency Services.

Howell Tumlin asked if there is a definition for the term "natural disaster"? Janice explained it is a term that has more to do with obtaining funding for relief than granting the government emergency powers. Howell went on to ask if this is just a term used to obtain funding, then would it change the regulation if it was deleted? Janice explained that if a reference to include Government Code Section 8558 was added, "natural disasters" could be deleted without changing the meaning or scope of the regulation. Jim Russell asked if the change were to be made to the regulation, would another comment period be necessary? Janice replied the Department considers it a nonsubstantive change so a new comment period is not required.

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MOTION: Jim Russell made a motion to delete the term "natural disaster" and add after emergency "as defined in Government Code 8558" to the proposed emergency regulation language. Scott Beylik seconded. Motion passed unanimously.

Jerry Gonce will send a letter to the Department as the Committee Chair requesting the above changes be made to the regulation. Jerry also asked Committee members to individually send their comments.

c. CFM Designated Area

Agenda item was moved to be included with item n.

d. Market Operator Responsibilities/Sub-contracting Issue

Janice Price asked the Committee if they want any sub-contracting to go on at all? Currently, there is nothing in the proposed regulation language that addresses the issue.

Howell Tumlin stated the real issue is whether or not the Committee wants to put standards together for market managers/operators. Cato Fiskdal suggested the Committee send a letter to the Ag Commissioners explaining the legalities of this issue. If the legal responsibilities were spelled out to the sponsor and market managers, there wouldn't be any of these issues. The letter would address the non-profit organization's operational responsibilities as the sponsor. Gail Hayden asked if the letter should come from CDFA? Rick Jensen replied that it could.

MOTION: Howell Tumlin made a motion to refer the matter of developing standards for the operation of a certified farmers' market to the market manager certification sub-committee. Gail Hayden seconded. Motion passed unanimously.

Gail Hayden commented rarely is the person picking up the certificate asked if they have the authority from the entity to do so. Maybe the certificate should have a statement authorizing that they have the authority to sign on behalf of the entity. Jerry Gonce asked Rick Landon if this is something that could be a part of the letter to the Ag Commissioners. Rick Landon pointed out, there already is a statement on the application stating that by signing the application, they are authorized.

This agenda item will be carried over for another time.

e. Proposed Nursery Stock Requirements

This agenda item was discussed and voted on under CDFA Reports, agenda item 4j.

f. CFM Program and Fee Sunset Clause

Gail Hayden commented the Direct Marketing Program is due to sunset on January 1, 2005. We are proposing to add the penalty phase, increase the farmer's fee to \$1.00 and require loads lists that would be subject to civil penalties if they are not complete. Dan Best is willing to move forward with the penalty but not the increase in the fee as it is currently proposed or the load list requirement. The author of the bill is not willing to take anything controversial and there is controversy pertaining to both the increase and the load lists. Cato Fiskdal asked who is opposing the increase. Dan replied, the farmers. Dan suggested the bill could be written so the 40 cents is specifically going for an additional inspector in southern California.

Jerry Gonce commented he would be more than willing to meet with Dan Best and discuss the Committee's recommendations and if necessary, the Committee can start looking around for some additional help.

Harry Brown-Heigel commented he would like to see the Committee move forward with the penalty and the load list. But maybe before raising the fee, the Committee should consider Dan's suggestion to change the regulation language so that it specifies the increase will pay for another inspector in southern California. The Committee should also inform the farmers what the fee currently pays for.

Rick Jensen commented that certainly the program can use additional funds to get the job done and he agrees it might be easier to find some one to carry the bill if the money is earmarked for a particular purpose. It is important the Department take part in writing the regulation language. However, Rick is concerned that by specifying this increase is for a position in southern California, the Committee might be tying their hands too tightly. Now that the two branches have merged, there are additional personnel available throughout the state. If this money was applied to running the program, these additional staff could be doing inspection work for direct marketing. The Committee needs to exercise caution that they do not write the language too tight.

Gail Hayden reminded the Committee from the very beginning, the revenue was off. Originally, it was based on a dollar but was cut down to 50 cents and then 10 cents was added for legal costs. In addition, the fee was based on the number of stalls rather than producers. So the estimates in the beginning were cut twice. Gail does not understand why the increase would be so resisted if the industry was given this information. Gail stated she knows first hand what running the program entails.

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There were five people doing just the administrative and marketing work when she was involved. Now, this is demanded of Janice Price with the addition of inspection work. It's a huge job and people have no idea. The Committee should be focusing on getting the industry to understand this increase is necessary to ensure the direct marketing program runs as it was intended. The motion passed at our last meeting was to move ahead with this legislation. The Committee needs to find an author that is willing to do this.

Mary Hillebrecht and Rick Landon commented the Committee should take the time to build a consensus first. Mary also stated the Committee should vote to move forward with amending this bill to include the load list requirements.

Jim Russell commented there are 17 voting members on the Committee and only 9 voted for the increase. The Direct Marketing program is going to need a Senator when the program reaches its' sunset. It may not be a good idea to move forward with something that we know is going to be controversial if we are going to need someone in 2005. Jim stated it might be more appropriate to back off from the increase but move forward with the penalty and load lists.

MOTION: Mary Lou Weiss made a motion to rescind the vote of the Committee to increase the fee from 60 cents to \$1.00. Jim Russell seconded.

Gail Hayden commented she didn't think it appropriate to rescind a motion that was previously voted on by Committee members that are not present today. Lynn commented Mary Lou's original intent was not to rescind the motion but to ask for reconsideration of the fee at a later time. After a brief discussion, Mary Lou asked the Committee for a friendly amendment to the above motion.

Motion: Mary Lou Weiss made a motion to move forward with the load list requirement and the penalty in SB 934 and to postpone for another time the raising of the fee for consideration in the next legislative proposal. Jim Russell seconded. 16 ayes, 1 opposed. Motion passed.

g. CDFA Late Penalty and Interest Fees

Harry reported the recommendation of the sub-committee was for \$100 fine after 60 days, \$100 for every 30 days there after. No further discussion took place.

h. Status of CFMAC Revised Procedures

Deferred to next meeting.

i. Load Lists

No other discussion.

j. Letter from CA Federation of CFM

Deferred to next meeting.

k. Definition of Certified Producer as CFM Operator

Deferred to next meeting.

l. Employee Agreements

Cato Fiskdal informed the Committee that producers are not required to post employee agreements. Jerry Gonce asked why this issue was on the agenda. Mary Lou Weis explained Los Angeles County required posting this information along with the certificates and are writing citations if they are not posted. We were asking for clarification.

m. Legitimate Partnerships

Mary Lou Weiss commented her concerns are how partnerships are being set up. She has knowledge of partnerships she knows are not practicing the art of agriculture. Jerry Gonce asked Mary Lou if she was asking what constitutes a partnership. Gail Hayden commented she thinks that the legal definition of a partnership is they have to be recognized as a partnership by the Franchise Tax Board. Janice Price added that this was part of the emergency regulation last year and was passed by OAL December 4, 2002. After Janice read the definition, Jerry Gonce stated the definition is clear and Mary Lou should follow up the issue with the appropriate Ag Commissioner.

n. Southland Proposal for CFM Definition / Designated Area

Howell Tumlin asked the Committee to approve and forward to the Secretary, the recommendations that were unanimously adopted by the Southland Farmers' Market Association on February 16, 2003 and sent in a Memorandum dated February 25, 2003 to Jerry Gonce, Committee Chair. These recommendations are intended to clarify the definition of a certified farmers' market in the California Code of Regulations.

Mary Hillebrecht commented, "this is a very good beginning". Mary agrees that at 75%, the market still looks like a market. The focus should be on the farmers but we also need to allow for entertainment value.

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Gail Hayden suggests the recommendation should also include other agricultural producers such as cheese and beef producers. Gail added the northern region lacks enough produce to meet the 75% so she is recommending that this be amended to be an annual average. Maybe 66%.

Jim Russell commented he doesn't want to see legitimate street fairs be penalized. Often these street fairs are a combination of crafters and a farmers market as well. The way this is written, this could no longer take place.

Howell pointed out the language used, in, at or near, allows the Ag Commissioner to go out and look around and use their discretion to decide. To expect a 100% is unreasonable but to have no standards at all is not tolerable either, so the question is, where do we draw the line? Southland believes 3 out of 4 is a fair number. Southland also believes these street fairs should go through the proper process instead of piggybacking onto farmers' markets.

Greta Dunlap commented market managers can't regulate what is outside a CFM designated area. Maybe the market map needs to be more clearly defined. We have all seen situations where you can't tell where the market begins and the other areas end. We also need to find a way to educate our consumers on what a certified producer actually is and promote them.

Mary Lou commented each market is unique in it's own style, whether it has pony rides or something else. It brings the people in and that's what we're trying to do. Things have changed. The markets have grown, the number of markets has grown, but there aren't enough inspectors for enforcement.

Gail Hayden commented that the Mountain View market, for example, holds 72 trucks, those growers would not be very happy if the 12 to 15 stalls selling bread and pizza dough, for example, were removed from the market and replaced with more peaches, strawberries and lettuce. The focus should be on what we don't want; for example, we don't want produce from Mexico being sold in an adjacent area, right now that can be done. Another problem is swap meets claiming to be farmers' markets selling furniture, etc. This is clearly something we don't want either.

Howell commented this issue is really talking about the ratio. Southland believes this approach is the best way to assure that the growers are the focus of the market. This will also allow a markets' certificate to be pulled if an Ag Commissioner goes out and finds that what once was a market has turned into something else entirely. We are trying to give the Ag Commissioners a way to regulate what these markets are doing.

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Jim Russell asked if the Secretary has the authority to regulate outside the designated market area. Rick Jensen replied no. This would take legislation. If you set the rules for what can be in the vicinity and if they aren't operating within these rules, you have the authority to pull the markets' permit.

Howell will take all of the comments back to Southland. Jerry Gonce requested Committee members do their homework and come prepared to discuss this at the next meeting with some clear suggestions.

o. Definition of Sprouts

Janice Price stated at the last meeting the Department was directed to provide the industry with some guidelines on what the definition of sprouts is prior to any kind of regulations. Since the last meeting, Janice has been contacted by a sprouts grower who states that the proposed definition does not work for two of the sprouts that he produces, specifically, peanuts and almonds. The grower states: "By the time these two seeds show roots they can be unpalatable. Long before the root emerges, the flavor changes significantly indicating that germination is well on its way and that is after all the whole point of a sprout. Germinating a seed certainly must fall under the categories of practicing the agricultural arts. In the world of sprouts and sprout consumers, it is correct to consume these sprouts long before the root emerges. If I'm not producing these products as the consumer expects, if I am taking this to an arbitrary point of growth, somewhat like over ripe fruit, I'm selling an unmarketable product and the consumer is certainly right in not buying it."

Jim Russell commented the Committee very clearly discussed this issue and agreed that soaked seeds are not sprouts. We stand by this.

Jim Russell moved to recommend a letter be sent by the Secretary to the industry requesting they accept these guidelines for sprouts until such a time that it can be adopted through the regulatory process.

ITEM 8: ROUNDTABLE DISCUSSION

Randii McNear would like to see a way of keeping the farmers more informed. A lot of important information comes out of these meetings that should some how be shared with the industry. Jerry Gonce asked that this be an agenda item for discussion at the next meeting. Randii also mentioned that the 2004 North American Conference will be in Sacramento.

Gail Hayden asked what notices if any, currently go out to farmers? Janice Price replied only notices pertaining to regulations are required by law to go out to the farmers. Due to the cost of postage, the Department is only sending out regulation notices.

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Harry Brown-Heigel announced a meeting in Berkeley next week for the EBT Program.

Gail Hayden commented on the Farmers' Market National Coalition. There was an inaugural held in North Carolina in February. There were 16 states that participated as well as the USDA and the Kellogg Foundation. The meeting broke up into 3 committees, 1) Funding, 2) Structure and 3) Goals and Objections of what the National Coalition of Farmers' Markets would be. The USDA stepped forward and said they would match the money from industry. The Kellogg Foundation said they would match the USDA.

ITEM 9: SCHEDULE NEXT MEETING/LOCATION/AGENDA ITEMS

The next meeting is scheduled for May 12, 2003, in Torrance. Agenda items must be sent to Janice by April 25, 2003 for the next meeting.

The meeting was adjourned.

Respectfully submitted by:

Janice Price, Supervisor